

DISCLAIMER: This material is mostly in bulleted format. It does not contain the full context of the Agency regulations. It is intended as a quick read overview incorporating the essence of the Agency's national regulation and Idaho specific requirements. Because it is Idaho specific, it may not be suitable for use in other states. The information contained herein should provide adequate information for the processing of the majority of the guaranteed loans. Underwriters should consult with the Agency's local managers for guidance in unusual cases. A directory of Idaho Rural Housing Service (RHS) offices is located on our Idaho home page and on Pages 1- 9 of the directory section of this guide.

AGENCY DEFINITIONS

Agency: refers to the Rural Housing Service (RHS), a.k.a. Rural Development (RD).

Approved lender: A lender approved by the Agency who employs a staff underwriter qualified and authorized to approve Fannie Mae, Freddie Mac, FHA, or VA loans.

Reservation: lenders request a set aside of Agency allocation to assure funding is available throughout the loan-processing period. Good for 60 days, they can be extended upon request.

Conditional Commitment: The form which “commits” the Agency to issuing a Guarantee subject to the conditions on the Commitment. It is generally issued for 90-120 days, but can be extended to a maximum of 6 months.

First Time Home Buyer: Any individual who (and whose spouse) has had no present ownership in a principal residence during the 3 year period ending on the date of purchase of the property acquired with a guaranteed loan under this subpart. A first-time homebuyer includes displaced homemakers and single parents even though they might have owned, or resided in, a dwelling with a spouse.

Guarantee: The form issued after the closing lender certifies all loan conditions have been met. It guarantees to the holding lender that losses suffered on the loan will be covered in accordance with Agency regulations.

IHFA, Idaho Housing & Finance Association: The State Housing Authority. IHFA is a purchaser of RD's GRH loans. They have an Interest Qualifier program (IQ) where the borrowers get a lower start rate for the first three years of the loan. On the 37th payment the rate increases to the note rate for the remaining term of the loan.

New dwelling: Certificate of Occupancy was issued within past 12 months and has not been previously occupied.

Participating lender: Any lender may participate as long as the loan packages are underwritten and submitted to the Agency by an approved lender.

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